

**THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**DOCKET NO. 2018-257-WS**

IN RE: Application of Kiawah Island Utility,	)	
Inc. for Adjustment of Rates and	)	<b>REBUTTAL TESTIMONY</b>
Charges and Modifications to Certain	)	<b>OF</b>
Terms and Conditions for the Provision	)	<b>DONALD H. BURKETT</b>
of Water and Sewer Service	)	

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is Donald H. Burkett. My principal place of business is 3101 Sunset Boulevard, West Columbia, South Carolina 29169.

**Q. DID YOU ALSO SPONSOR DIRECT TESTIMONY IN THIS CASE?**

A. Yes, my direct testimony was filed on January 31, 2019.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. The purpose of this testimony is to respond to the adjustments proposed by the South Carolina Office of Regulatory Staff (“ORS”) as described in the Direct Testimony and Exhibits of Aisha L. Butler.

**Q. PLEASE SUMMARIZE THE ADJUSTMENTS PROPOSED BY MS. BUTLER.**

A. The ORS proposed a total of 28 adjustments to Kiawah Island Utility’s (“KIU”) requested revenue. These adjustments relate to KIU’s test year revenues, operating expenses, rate case expenses, plant in service, depreciation expense, accumulated deferred taxes, and flow-through adjustments such as cash working capital and income taxes.

**Q. DOES KIU ACCEPT ORS'S RECOMMENDED ADJUSTMENTS?**

A. KIU accepts the adjustments recommended by Ms. Butler, for the purposes of this rate case, with one noted exception. As described in the Rebuttal Testimony of Craig Sorensen, KIU's requested operating margin of 14.5% should be used to determine revenues rather than ORS's recommended 14%. Additionally, as noted by Ms. Butler, KIU will update its rate case expenses (Adjustment 2G – Rate Case Expenses) through the date of the hearing.

**Q. DO YOU WISH TO ADDRESS ANY OTHER ASPECTS OF ORS'S TESTIMONY?**

A. Yes. Regarding the three factor allocation methodology used by SouthWest Water Company to allocate corporate costs to its subsidiaries, Mr. Schellinger states in his testimony "ORS recommended and KIU accepted similar adjustments in Docket No. 2016-222-WS." However, KIU notes that in that docket, KIU and ORS settled on a cost amount, not to the specific adjustments made that yield that amount.

**Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

A. Yes, it does.